



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
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Fifth District

November 15, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. 75318  
DEPARTMENT OF MENTAL HEALTH  
695 SOUTH VERMONT AVENUE, LOS ANGELES  
(SECOND DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign the attached Amendment No. 1 to Lease No. 75318 with Wilmont Inc. (Lessor) for an additional 7,400 rentable square feet of office space and 29 parking spaces for the remaining balance of the original ten-year term at 695 South Vermont Avenue, Los Angeles for the Department of Mental Health (DMH) at a maximum initial annual rental cost increase of \$188,426. Rental costs are funded by approximately 75 percent State funds and 25 percent net County cost.
2. Authorize the Director of the Internal Services Department (ISD) and DMH at the direction of the Chief Administrative Office (CAO) to acquire telephone, data, and low voltage systems for the aforementioned facility at a cost not to exceed \$200,000.
3. Find that this lease amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 1601 (b) (3) of the State CEQA Guidelines.

4. Approve the project and authorize the CAO, DMH and ISD to implement the project. The Lease Amendment will be effective upon approval by your Board, but the rent for the additional, expansion space will commence upon completion of the Tenant Improvements (TI) by the Landlord and acceptance thereof by the County.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to amend the existing lease whereby DMH can house additional staff at the subject facility. On June 21, 2005, a ten year lease was adopted by your Board for 44,298 rentable square feet of office space at the subject facility. This original space is currently being built-out to house DMH's Chief Information Office Bureau, Office of Consumer Affairs, Office of Family Advocate, Homeless and Housing Division, Service Area IV Psychiatric Mobile Response Team, Service Area VI Child Administration, and Revenue Management programs. Build-out is expected to be completed in February 2006.

The proposed 7,400 rentable square feet of expansion space will house DMH's Planning Division, which consists of 44 full time employees of which 16 are usually in the field. Due to the implementation of the recent Mental Health Services Act (MHSA), the Planning Division is expanding and DMH's headquarters does not have space to accommodate this expansion. The Planning Division facilitates the countywide planning of mental health services and compliance with the MHSA. Approval of this lease amendment will allow the Planning Division to operate in close proximity to DMH headquarters.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we implement a client-centered, information-based health and mental health services delivery system that provides cost-effective services across County departments (Goal 7). The recommendation herein will provide an efficient working environment for the Planning Division, which will allow staff to effectively implement Goal 7. Moreover, this project entails investing in public infrastructure and facilities that serve the community in a fiscally responsible manner. Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The maximum initial annual rental cost increase is estimated to be \$188,426, if all of the reimbursable TI allowances are used.

<b>695 South Vermont Avenue, Los Angeles</b>	<b>Existing Lease</b>	<b>Proposed Amendment No. 1</b>	<b>Change</b>
Term	Ten Years	Ten Years	None.
Total Area	44,298 sq. ft.	51,698 sq. ft.	+7,400 sq. ft.
Annual Base Rent	\$611,312 (\$13.80 per sq. ft.)	\$713,433 (\$13.80 per sq. ft.)	+ \$102,121
Annual Parking Rent	\$127,440 177 parking spaces	\$148,320 206 parking spaces	+ \$20,880 +29 parking spaces
Base Tenant Improvement (TI) Allowance	\$664,470 (\$15.00/sq.ft.)	\$775,470 (\$15.00/sq.ft.)	+ \$111,000
Additional TI Allowance	\$2,436,390 (\$55.00/sq.ft.)	\$2,843,390 (\$55.00/sq.ft.)	+ \$407,000
Discretionary TI Allowance	\$221,490 (\$5.00/sq.ft.)	\$258,490 (\$5.00/sq.ft.)	+ \$37,000
Maximum Annual Rent*	\$1,130,395	\$1,318,821	+ \$188,426
Cancellation	County may cancel at or anytime after the 36 <sup>th</sup> month with nine months notice	County may cancel at or anytime after the 36 <sup>th</sup> month with nine months notice	None.
Option to Renew	One five-year option at 95% of fair rental value	One five-year option at 95% of fair rental value	None.
Rental Adjustment	Annual CPI, 2% floor, 4% cap	Annual CPI, 2% floor, 4% cap	None.

\*The maximum annual rent is the aggregate of annual base rent, annual parking rent and reimbursable TI allowances. The maximum amount of reimbursable TI funds available for this project are \$60 per sq. ft.. This amount equates to an additional \$8.85 per square foot per year in rent based upon the following: \$25 of the \$60 is allocated to furniture expenditures; \$35 of the \$60 is allocated to construction expenditures; the amortization rate for furniture is ten percent; the amortization rate for construction is seven percent; and both are amortized over ten years. The \$25 / \$35 split is based on final costs for recent lease projects.

Sufficient funding for the proposed lease amendment is included in the 2005-06 Rent Expense Budget and will be billed back to DMH. DMH has sufficient funds in its 2005-06 operating budget to cover the projected lease costs. The rental costs associated with the proposed lease amendment are funded approximately 75 percent by State MHSA and 25 percent net County cost. Additionally MHSA funding offset is a possibility in the future.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease amendment will increase DMH's occupancy in the subject building from 44,298 to 51,698 rentable square feet of office space and increase the amount of TI funds allocated to the project. The existing rental rate, terms and conditions of the lease shall prevail for the original and expansion space, and they are as follows:

- The term for the original space will commence upon completion of the initial TI improvements by the landlord, and acceptance thereof by the County, which is expected to occur in February 2006.
- The term for the expansion space will commence upon completion of the subsequent TI improvements by the landlord, and acceptance thereof by the County, which is expected to occur in March 2006.
- The termination date for both the original and expansion space shall be coterminous, and shall terminate ten years after lease commencement for the original space.
- Full service whereby the Landlord is responsible for all operating costs associated with the County's tenancy.
- A cancellation provision allowing the County to cancel anytime after the 3<sup>rd</sup> year upon nine months' advance notice to the Landlord. Upon cancellation, the County shall reimburse the Lessor for any and all remaining additional TI allowance funds that have not been amortized or paid in a lump sum.
- An option to renew this lease for an additional five-year period, subject to Board approval, by giving Landlord nine months' prior written notice. In the event the County exercises the renewal option, the rental rate will be adjusted to 95 percent of the average rent being charged for similar space, but the existing terms of the Lease will prevail.
- An unreimbursable, base TI allowance of \$15 per square foot is included in the rent.

- Reimbursable TI allowances of \$60 per square foot, payable via lump sum or monthly amortization payments over the term of the lease. TI reimbursement payments for furniture expenditures shall be amortized at the lessor's cost of funds, not to exceed ten percent. All other TI reimbursement payments shall be amortized at seven percent.
- The monthly base rent is subject to an annual Consumer Price Index adjustment of not less than two percent nor more than four percent.

CAO Real Estate staff surveyed the Wilshire/Vermont area to determine the availability of comparable and more economical sites, as specified by DMH in order to maintain close proximity to DMH headquarters. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the surrounding Wilshire/Vermont area and there are none available.

Based upon a market survey of similar properties in the Wilshire/Vermont area, staff has determined that the base rental range for similar space is between \$13.80 and \$18.00 per square foot per year full service. The proposed annual base rental rate of \$13.80 represents the lower range of market for the area.

The proposed premises are in a high rise building and do not provide the necessary space and amenities needed to operate a child care center on the premises.

#### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The project is categorically exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 1601 (b) (3) of the State CEQA Guidelines.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

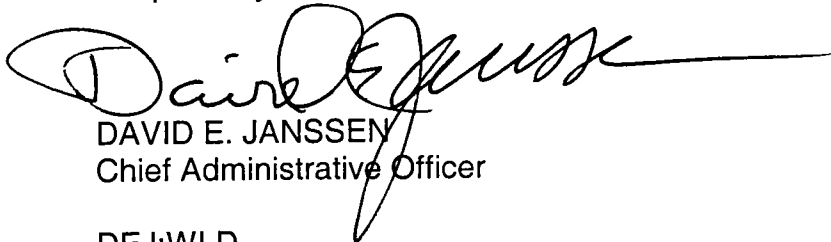
It is the finding of the CAO that the proposed lease amendment is in the best interest of the County and will provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DMH concurs with this recommendation.

The Honorable Board of Supervisors  
November 15, 2005  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:WLD  
CEM:KW:hd

Attachments (3)

c: County Counsel  
Department of Mental Health

DEPARTMENT OF MENTAL HEALTH  
695 SOUTH VERMONT AVENUE, LOS ANGELES  
Asset Management Principles Compliance Form<sup>1</sup>

1.	<b>Occupancy</b>		Yes	No	N/A
	A	Does lease consolidate administrative functions? <sup>2</sup>	X		
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? 168 sq. ft. per person (Note: this ratio is low due to a significant number (16) of filed staff who requires minimal workspace.	X		
	E	Does lease satisfy 80% parking rule? <sup>2</sup>	X		
2.	<b>Capital</b>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space? <b>None available.</b>			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? <b>Build-to-suit or capital project isn't feasible for 7,400 sq. ft. requirement.</b>		X	
3.	<b>Portfolio Management</b>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup>	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				

<sup>2</sup>If not, why not?

## ATTACHMENT B

# BOUNDARIES FOR SEARCH

## 3 MILE RADIUS OF 550 SOUTH VERMONT AVENUE, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS NET	OWNERSHIP	SQUARE FEET AVAILABLE
B993	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	FINANCED	NONE
5461	DHS-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	OWNED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	11400	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65872	LEASED	NONE
A532	HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	109137	LEASED	NONE
A425	DCFS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	80756	LEASED	NONE
A369	DCFS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	LEASED	NONE
A408	DCFS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	LEASED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BUILDING	532 S VERMONT AVE, LOS ANGELES 90020	14126	OWNED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	OWNED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	76304	LEASED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	OWNED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	OWNED	NONE
B695	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	14274	LEASED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDICAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	LEASED	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	208799	LEASED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	PERMIT	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	LEASED	NONE
5353	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	OWNED	NONE
6518	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	OWNED	NONE
A388	ALT PUBLIC DEF-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD, LOS ANGELES 90017	6500	LEASED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	FINANCED	NONE
5546	DHS-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60924	OWNED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	84607	LEASED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958090	FINANCED	NONE
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794459	OWNED	NONE
3155	THE MUSIC CENTER-DE LISA BUILDING/ THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	OWNED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012-3503	29013	LEASED	NONE
3154	CLARA SHORTTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1036283	FINANCED	NONE
Y356	EL PUEBLO REDEVELOPMENT PROPERTY-GAS CO BLDG	111 REPUBLIC ST (AKA 502 NEW HIGH), LOS ANGELES 90012	16517	OWNED	14524
0144	EL PUEBLO REDEVELOPMENT PROPERTY-OLD BRUNSWIG	510 NEW HIGH ST, LOS ANGELES 90012	35683	OWNED	22753
0142	EL PUEBLO REDEVELOPMENT PROPERTY-PLAZA HOUSE	507 N MAIN ST, LOS ANGELES 90012	15618	OWNED	11154
0143	EL PUEBLO REDEVELOPMENT PROPERTY-VICKREY BLDG	501 N MAIN ST, LOS ANGELES 90012	34350	OWNED	29710
0495	EL PUEBLO-FORMER FAR EAST BANK(NOT HABITABLE)	300 W CESAR E CHAVEZ AVE, LOS ANGELES 90012	2800	OWNED	2380
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438095	OWNED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	OWNED	25158



# CHIEF ADMINISTRATIVE OFFICE LEASE ANALYSIS SUMMARY

Project #	740-98096	Department	Mental Health	Date	10/20/2005
Agent	Kevin Webb	Program	Planning Division	District	Second

**Lease Premises**

Address 695 So. Vermont Ave., Los Angeles

**Lessor Identification**

Name	Wilmont, Inc.		
Contact	Steve Chong		
Address	3200 Wilshire Blvd		
City	Los Angeles	Zip	90005
Telephone	213-385-3485		
E-Mail	SteveChong@jamisonproperties.com		

**Property Manager Identification**

Name	SAME		
Contact			
Address			
City		Zip	
Telephone			
E-mail			

**LEASE OBLIGATIONS AND ANNUAL OCCUPANCY COST ANALYSIS**

<b>Cleaning</b>	<b>Lessor</b>	<b>County</b>
Cleaning-Services	✓ 1.18	0.00
Cleaning-Supplies	✓ 0.08	0.00
Cleaning-Trash	✓ 0.03	0.00
<b>Repair and Maintenance</b>		
Electrical-Systems	✓ 0.09	0.00
HVAC-Equipment	✓ 0.07	0.00
HVAC-Servicing	✓ 0.10	0.00
Plumbing-Exposed	✓ 0.01	0.00
Plumbing-Concealed	✓ 0.02	0.00
Exterior-Repainting	✓ 0.10	0.00
Exterior-Glass	✓ 0.17	0.00
Interior-Maintenance	✓ 0.21	0.00
Structural & Roof	✓ 0.05	0.00
Fire-Life & Safety	✓ 0.08	0.00
Elevators	✓ 0.49	0.00
<b>Utilities</b>		
Electric	✓ 2.21	0.00
Gas	✓ 0.06	0.00
Water	✓ 0.09	0.00
<b>Miscellaneous</b>		
Road & Grounds	✓ 0.10	0.00
Security	✓ 0.87	0.00
Administration 1=full 2=split	2 0.58	2 0.58
Real Estate Tax <sup>1</sup>	✓ 2.00	0.00
Building Insurance	✓ 1.23	0.00
<b>Tenant Improvements</b>		
County-1	0.00	✓ 7.66
County-2	n/a	n/a
County-3	n/a	n/a
Lessor	✓ 2.09	0.00
<b>Parking</b>		
County/Lessor	n/a	2.82
<b>Total Costs</b>	11.91	11.07
<b>Basic Space Rate<sup>2</sup></b>	+ 1.89	
<b>Totals<sup>3</sup></b>	= 13.80	11.07
		+ 13.80
		<u>\$24.87</u>

<b>Terms &amp; Conditions</b>	<b>Amounts</b>	<b>Notes</b>
Lease Term 10 yrs.	120	Months
Square Feet Leased	7,400	
Monthly Rent/Sq. Ft.	\$1.15	
Monthly Adj. To Rent	\$0.00	
Monthly Rent	\$8,510.00	
Annual Rent	\$102,120.00	
Term Rent	\$1,021,200.00	

**Lease & Building Facts**

Right to Cancel	After 36 months upon 9 months' notice
Option to Renew	One, 5-year Option
Option to Purchase	None.
Type of Building	High rise office
Type of Walls	Drywall
Type of Ceiling	Acoustic
Type of Lighting	Flourescent
Type of Floor	Concrete Slab, Tile, Carpet
Thomas Guide	634-A2
Assessor's Parcel #	5094-008-026
CPI Adjustment	Annually, 2% min. & 4% max
Zoning	C2
Building Sq. Ft.	195,000

<b>Improvements - Detail</b>		0		Payment at 1=Beginning 0=End, of Period		
Paid By	Loan Amount	Interest Rate	# per.	# Pmts	Annual Payment	Cr./Mo. Per
County-1	\$407,000	7.00%	10	120	\$56,712.00	
County-2						
County-3						
Lessor	\$111,000	7.00%	10	120	\$15,468.00	

<b>Monthly Parking Costs - Detail</b>		Annual Parking Cost	
County Paid Parking	29		\$20,880
Lessor Paid Parking	# of Spaces		\$0

**Comments:**

1. Check Actual Taxes 2. Total Rent minus Lessor Costs 3. Adj. annual rent divided by sq. ft.

**CHIEF ADMINISTRATIVE OFFICE  
REAL ESTATE DIVISION  
SUMMARY LEASE OFFER FORM**

**LEASE REQUIREMENT**

Area 7,400 Square Feet      Term 10 Years  
 Parking 29 Spaces      Job No. 740-98096

Department Mental Health  
 Purpose Planning Division

<u>DEPARTMENTAL PREFERENCE</u> OFFEROR	PROPERTY ADDRESS	RENTABLE SQ. FT.	EST'D COST OF ALTERATIONS	MONTHLY RENT		NO. OF PKG SPACES	MEETS REQUIREMENT	
				TOTAL \$	PER SQ. FT.		YES/NO	EXPLAIN (OFFERS ONLY)
Recommended Facility: Wilmington Inc.	695 So. Vermont Ave., Los Angeles	7,400	\$303,400	\$8,510 Full Service	\$1.15 Full Service	29	Yes	Meets County requirement.
Comparables: SCPT Union	501 Shatto Place, Los Angeles	7,400	\$370,000	\$9,250 Full Service	\$1.25 Full Service	15	No	Substantial TI work needed. Insufficient parking.
Jamison Properties	3333 Wilshire Blvd, Los Angeles	7,400	\$303,400	\$9,620 Full Service	\$1.30 Full Service	29	No	More costly than subject facility.
Jamison Properties	3255 Wilshire Blvd, Los Angeles	7,400	\$303,400	\$9,398 Full Service	\$1.27 Full Service	29	No	More costly than subject facility.

**AMENDMENT NO. 1 TO COUNTY LEASE NO. 75318  
DEPARTMENT OF MENTAL HEALTH  
695 SOUTH VERMONT AVENUE, LOS ANGELES**

This Amendment No. 1 to Lease No. 75318 ("Amendment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, by and between WILMONT INC., a California corporation, hereinafter referred to as "Lessor", and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee."

**WHEREAS**, WILMONT INC., a California corporation (Lessor), and the COUNTY OF LOS ANGELES (Lessee) entered into that certain County Lease No. 75318 dated June 21, 2005 (the "Lease") whereby Lessor leased to Lessee approximately 44,298 rentable square feet of office space commonly known as the entire sixth (6<sup>th</sup>) floor; the entire seventh (7<sup>th</sup>) floor; and the entire eighth (8<sup>th</sup>) floor within the building located at 695 South Vermont Avenue, Los Angeles, California ("Original Premises"), for a term of Ten (10) years.

**WHEREAS**, Lessor and Lessee desire to amend the Lease for the purpose of expanding the Premises and making the term for the Original Premises and the Expansion Premises coterminous, pursuant to the terms and conditions of the Lease and this Amendment; and

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Lessor and Lessee hereby covenant and agree to amend Lease No. 75318 as follows:

1. Paragraph 1. DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 695 South Vermont Avenue, Los Angeles in the County of Los Angeles, State of California, more particularly described as follows:

Premises A: Consisting of the entire sixth (6<sup>th</sup>) floor;  
Premises B: Consisting of the entire seventh (7<sup>th</sup>) floor;  
Premises C: Consisting of the entire eighth (8<sup>th</sup>) floor;  
Premises D: Consisting of a portion of the fifteenth (15<sup>th</sup>) floor;  
Premises E: Consisting of up to Two hundred six (206) parking spaces within the on-site parking garage.

Premises A, B, C, D and E shall be collectively known as (the "Premises"); all within the building located at the above address (south tower) and legally described as follows:

Lots 1-11, Book D, Wilshire Boulevard Heights in Map Book 6, Page 47 of Maps recorded with the Registrar Recorder of the County of Los Angeles (the "Building").

The Premises shall consist of approximately 51,698 rentable square feet as follows: floors six (6), seven (7), and eight (8) consisting of approximately 44,298 rentable square feet, collectively; and a portion of the fifteenth (15<sup>th</sup>) floor consisting of approximately 7,400 rentable square feet as further delineated in the amended Exhibit "A" (Plans and Specifications) attached hereto and incorporated herein; and two hundred six (206) parking spaces within the on-site parking garage as described in Paragraph 20 herein. Lessor represents that 51,698 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

Lessee shall have the exclusive right within ninety (90) days of approval by the Board of Supervisors to field-measure and verify the exact square footage of the Premises. All measurements to be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 accomplished by the mutual execution of a Memorandum of Understanding between the Lessor and the Lessee. Lessor acknowledges that he has marketed the space at the above indicated amount and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

2. Paragraph 2. TERM, is hereby amended, and the following language shall be added to the first paragraph of Section 2A as follows:

A. Original Term:

In the event the Term of this Lease commences on different dates for Premises A, B, C, D, or E, the termination date for Premises A, B, C, D, and E shall be coterminous. Therefore, the termination date for Premises A, B, C, D, and E shall be ten (10) years after whichever Premises commences first, regardless of any differences in the date of commencement. For example, if the term for Premises A or B commences February 1, 2006 then the term for Premises A, B, C, D, and E shall terminate on January 31, 2016. Lessor and Lessee shall execute a Memorandum of Commencement Date (Exhibit "B" to the Lease) within 5 days of Lease Commencement for Premises A, B, C, D and E, respectively.

3. Paragraph 3. RENT, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessee hereby agrees to pay as rent for Premises A, B, C and D during the term, the sum of Fifty Nine Thousand Four Hundred Fifty Two and 70/100 Dollars (\$59,452.70) per month, i.e., One and 15/100 Dollars (\$1.15) per rentable square foot per month subject to annual adjustment pursuant to Paragraph 27 herein, plus Sixty Dollars (\$60) per parking space per month for Premises E, all payable in advance by Auditor's General Warrant payable within fifteen (15) days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefore for each such month to be filed with the Auditor of the County of Los Angeles prior to the first (1<sup>st</sup>) day of each month.

4. Paragraph 20. PARKING SPACES, is hereby amended as follows:

Every reference to "one hundred seventy-seven (177)" that appears in Paragraph 20 shall be deleted and replaced with the following number inserted in substitution thereof: two hundred six (206).

5. Paragraph 25. TENANT IMPROVEMENTS, is hereby amended as follows:

Every reference to "Six Hundred Sixty-Four Thousand, Four Hundred Seventy Dollars (\$664,470)" that appears in Paragraphs 25A and 25B shall be deleted and replaced with the following number inserted in substitution thereof: Seven Hundred Seventy-Five Thousand, Four Hundred Seventy Dollars (\$775,470)

Every reference to "Three Million, One Hundred Thousand, Eight Hundred Sixty Dollars (\$3,100,860)" that appears in Paragraph 25B shall be deleted and replaced with the following number inserted in substitution thereof: Three Million, Six Hundred Eighteen Thousand, Eight Hundred Sixty Dollars (\$3,618,860).

Every reference to "Three Million, Three Hundred Twenty-two Thousand, Three Hundred Fifty Dollars (\$3,322,350)" that appears in Paragraph 25C shall be deleted and replaced with the following number inserted in substitution thereof: Three Million, Eight Hundred Seventy-seven Thousand, Three Hundred Fifty Dollars (\$3,877,350).

Every reference to "Two Hundred Twenty-One Thousand, Four Hundred Ninety Dollars (\$221,490)" that appears in Paragraph 25D shall be deleted and replaced with the following number inserted in substitution thereof: Two Hundred Fifty-Eight Thousand, Four Hundred Ninety Dollars (\$258,490).

6. Paragraph 27. RENTAL ADJUSTMENT, is hereby amended as follows:

Every reference to "\$50,942.70" that appears in Paragraphs 27B and 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$59,452.70.

Every reference to "\$1,018.55" that appears in Paragraph 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$1,189.05

Every reference to "\$2,037.70" that appears in Paragraph 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$2,378.10

7. In the event of a conflict between the terms or conditions of this Amendment No. 1 and the terms or conditions of Lease No. 75318, the terms and conditions of this Amendment shall prevail. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chair of said Board and attested to by the Clerk thereof the day, month, and year first above written.

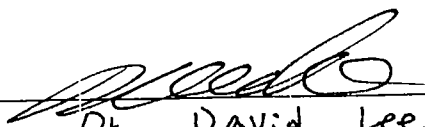
ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk  
of the Board of Supervisors

By \_\_\_\_\_

LESSOR:

WILMONT, INC., a California Corporation

By   
Name Dr. David Lee  
Title president

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

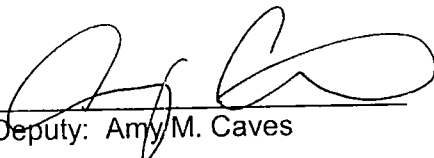
LESSEE:

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.  
County Counsel

By \_\_\_\_\_  
Chair, Board of Supervisors

By   
Deputy: Amy M. Caves